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TEMPORARY CLOSURE OF MCALPINE LOCK

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U.S. ARMY CORPS OF ENGINEERS MEETING

MAY 27, 2004

LOUISVILLE, KENTUCKY

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2 INGRAM-1: Good afternoon. I'm \$\$
3 \$\$ with Ingram Barge Company and then I'm also
4 chairman of RIETF. I want to welcome everybody to
5 our meeting this afternoon. I want to thank the
6 Corps for inviting us here, unfortunately to address
7 an issue that obviously has gotten everybody's
8 attention. And as I mentioned to somebody earlier,
9 I think the thing to be noted is that normally
10 meetings involving outages would have involved
11 probably a fairly small group and I believe, and I'm
12 pleased to see, that we probably have a lot of
13 customers that are represented here.

14 So what I would like to do is let
15 everybody get a sense of who is in fact attending
16 this meeting. We'll just sort of go around the room
17 and ask you if you would give your name and your
18 affiliation with a company or organization. And
19 \$\$, I would ask to start with you.

20 ACBL1: Okay. \$\$\$\$ with
21 ACBL.

22 ACE2: \$\$ \$\$, Chief of
23 Operations for the Louisville Corps of Engineers.

24 ACE3: \$\$ \$\$, the deputy district
25 engineering in Louisville.

3

1 GUARD1: Commander \$\$ \$\$,
2 Captain of the Port here in Louisville with the
3 Coast Guard.

4 AEP1: \$\$ \$\$, AEP MEMCO.

5 MEMCO1: I'm \$\$ \$\$ with
6 MEMCO.

7 PROGRESS1: \$\$ \$\$ with
8 Progress Energy.

9 INGRAM2: \$\$ \$\$, Ingram Barge
10 Company.

11 GLOBAL1: \$\$ \$\$ with Global
12 Material.

13 AEP2: \$\$\$\$ with AEP.

14 B & H 1: \$\$ \$\$ with B & H Towing.

15 ACBL4: \$\$\$\$, ACBL.

16 LYONDELL1: \$\$ \$\$, Lyondell
17 Chemical.

18 BAYER1: \$\$ \$\$, Bayer
19 Corporation.

20 KIRBY1: \$\$ \$\$, Kirby Inland.

21 TECO1: \$\$ \$\$ with TECO
22 Barge Line.

23 MULZER1: \$\$ \$\$, Mulzer
24 Crushed Stone.

25 GALLATIN1: \$\$\$\$, Gallatin Steel

1 Company.

2 ORMET1: \$\$\$\$,ORMET

3 Corporation.

4 CENTURY1: \$\$ \$\$, Century Aluminum.

5 MARATHON1: \$\$ \$\$, Marathon

6 Ashland.

7 MARATHON2: \$\$ \$\$, Marathon

8 Ashland.

9 COAL1: \$\$ \$\$ with Madison Coal

10 & Supply.

11 S & M1: \$\$ \$\$, S & M

12 Transportation.

13 CONSOLIDATED1: \$\$ \$\$, Consolidated

14 Grand Barge Company.

15 WESTERN1: \$\$ \$\$, Western Kentucky

16 Navigation.

17 ACBL3: \$\$ \$\$, ACBL.

18 ACBL4: \$\$ \$\$, ACBL.

19 HOLCIM1: \$\$\$\$ of Holcim.

20 YAGER1: \$\$ \$\$, Yager Materials.

21 KLEYERHAEUSER1: \$\$ \$\$, Kleyerhaeuser.

22 EX1: Lt. CDR \$\$ \$\$,

23 Executive Officer, USCG, MSO Louisville.

24 GUARD 2: I'm Lt. CDR \$\$\$\$

25 with the Coast Guard safety office in Louisville.

1 BROWN1: \$\$\$\$, Brown

2 Corporation.

3 LG&E1: \$\$\$\$, LG&E

4 Energy.

5 METALS1: \$\$\$\$, River Metals and

6 Recycling.

7 ACBL2: \$\$\$\$, ACBL,

8 retired.

9 B & H2: \$\$\$\$, with B & H

10 Towing.

11 ACE4: \$\$\$\$, Corps of

12 Engineers.

13 ACE5: \$ \$ \$ \$, Corps of

14 Engineers, Ohio River division.

15 COE1: \$\$\$\$, chief of

16 operations.

17 CINERGY1: \$\$\$\$, Cinergy.

18 CROUNSE2: \$ \$ \$ \$, Crounse

19 Corporation.

20 LG&E2: \$ \$ \$ \$, LG&E.

21 ACE6: \$ \$ \$ \$, Corps of Engineers.

22 ACE7: \$\$\$\$, Corps of

23 Engineers.

24 station1: \$\$\$\$, Louisville

25 district, Louisville repair station.

1 COE1: \$\$\$\$, Corps of

2 Engineers.

3 SUPES1: \$\$\$\$.

4 ACE8: \$\$\$\$, Economics

5 Branch, Corps of Engineers.

6 INGRAM 3: \$\$\$\$, Ingram Barge

7 Company.

8 FALL1: \$ \$ \$ \$, Fall City

9 Towing & Ride.

10 CEMEX1: \$ \$ \$ \$, CEMEX.

11 ACE9: \$ \$ \$ \$, Corps of

12 Engineers.

13 ACE3: \$ \$ \$ \$, Corps of Engineers.

14 ACE10: \$ \$ \$ \$, Corps of Engineers.

15 ACE11: \$\$\$\$, Corps of

16 Engineers.

17 ACE12: \$\$\$\$, Corps of

18 Engineers.

19 ACE13: And I'm \$\$\$ \$ with

20 Louisville District Operations, Corps of Engineers.

21 INGRAM-1: Thank you. I could hear most

22 of those, but we've got a little bit of a roar here

23 and I hope with the system that we have, everybody

24 will be able to hear. What I would like to do is

25 ask \$\$\$ \$ sort of to act as moderator for

1 this event. Again, this is a RIETF meeting and it
2 is closed to the media. I think we've had at least
3 one individual identify themselves as such and
4 probably will like to catch somebody after our
5 meeting and we'll try to accommodate them. But I've
6 asked \$\$\$\$ if he would serve in that
7 capacity and he will introduce our Corps
8 presentation and set some ground rules. Thank you.

9 ACBL1: Thank you, \$\$\$. Just to
10 kind of kick off, I think the event here we're going
11 to be discussing today is -- and I think back over
12 the years is kind of one of those worst fears you
13 hope never happens. And I'm sure that Colonel
14 \$\$ will discuss this, but for the benefit of
15 some of you in here, let me -- and I was involved
16 from some of the planning processes early on,
17 working with the Corps as they were getting ready to
18 get this project authorized. But as I recall, some
19 of the discussion back in those days was before we
20 initiate construction and take the 600 foot lock out
21 of service, the 600-foot lock, we had to go in --
22 the Corps had to go in and rehab the 1200 foot lock
23 and -- oh, by the way, once that was done, then
24 Congress -- the recommendation going forward to
25 Congress was that we were going to have to

1 appropriate money in such amounts that permitted the
2 execution and construction of this project in four
3 to five years so as to permit the -- to have the new
4 lock up and running before one would have to go back
5 in the 1200 foot lock to do maintenance.

6 Well, as we all know in industry, that we
7 have been dealing with the lack of funding for a
8 number of years. McAlpine has never been funded to
9 the level it should have. It's gone through two
10 years of where the contractor has had to self-fund
11 and/or threaten to pull off the job. So, you know,
12 part of these issues or kind of the making of some
13 of the issues that we're all dealing with the
14 Federal budget. So everybody needs to kind of
15 understand from a context how we got to where we are
16 today.

17 And so I think there's going to be a
18 number of challenges associated with this closure
19 and I have shared a number of the thoughts with the
20 folks at the Corps in terms of some of the things
21 that we're going to have to address. One is where
22 do we queue all the boats that are waiting.
23 Secondly, should we and -- should we consider some
24 sort of priority once it's reopened if there are
25 plants that are needing a product that prevents

1 shutdown. I don't know how we work through that,
2 but that's probably something that RIETF needs to
3 address going forward, if that is done.

4 Secondly, and something that I've talked
5 to Commander \$\$ about, is what do we do with
6 CDC type cargos considering homeland security type
7 situation. What do we do with those? Do we give
8 those type products priority to get them moving.

9 And so there's a whole host of issues that
10 we'll need an address and some of it will probably
11 have to be done later with the work group, that
12 certainly I would be happy to participate in as well
13 as some of my colleagues here that are senior
14 members in the marine industry. I would ask them to
15 participate as well.

16 So with that, I would like to introduce
17 Colonel \$\$, the district engineer. The
18 colonel has a presentation that's going to be
19 discussing where we are and how we got there and
20 where we're going. Colonel?

21 ACE1: Thanks, \$. I
22 certainly appreciate the task force setting this
23 thing up for us today. Glad to see -- glad to get
24 to see a good turn out because I think this is quite
25 a unique occurrence and event. Unfortunately, it

1 had to occur on such short notice. As I go through
2 this, I think you'll see that we were heading
3 towards having a closure at some point regardless,
4 it's just the timing is really unfortunate at this
5 point.

6 I'm going to start off with a brief
7 discussion. If you flip next -- and I'll sort of go
8 through quickly just where we're going. We're going
9 to start off with a project overview, talk a little
10 bit about why the closure is necessary now, the
11 scope of work we're going to undertake at the locks
12 there. Then also spend the majority of our time at
13 the end of the presentation talking about the
14 concerns and challenges that we're going to face
15 here together.

16 I will add that we are making a record of
17 these proceedings. We do have a recorder up front
18 and we'll make that record available and probably
19 eventually get it posted to our web site as well.

20 Next slide. There is our project
21 overview. As you can tell, a fairly recent photo.
22 As you all well know, we have one of the lock
23 chambers out there, the auxiliary chamber, and the L
24 300 footer are gone and new construction underway to
25 create a new 1200-foot chamber.

1 Next slide. The lock chamber and the 1200
2 footer that we're looking at is quite old, built in
3 the '60s. A lot of significant wear and tear. The
4 gates of interest are most similar to the gates that
5 you see at Greenup and at Markland in design and
6 construction. In 1991, we did get authorization to
7 begin the construction of the new lock chamber, the
8 new 1200 foot chamber, and it's going to be built at
9 the location of the old 600 footer.

10 Next slide. This option was chosen, as
11 you can see there, basis of cost, benefits, the
12 project economics and after considerable
13 consultation with industry as well. The estimated
14 construction time when we started this thing off was
15 thought to be six years and we would be four years
16 without an auxiliary chamber.

17 Next slide. And as I mentioned just a few
18 seconds ago, this was a plan that we coordinated and
19 was supported by industry. And as part of this
20 effort, it led to the construction and the fielding
21 of the gate lifter crane and the creation of some
22 auxiliary gates that we have stored in the LRS area
23 in McAlpine now.

24 1997, we did mention -- I think you heard
25 earlier we did have an outage there of thirty days

1 plus to rehab the facility there. I did major
2 maintenance and did at that time included extensive
3 gate repairs. 1999, we went back in for a shorter
4 period, about two weeks, to go back in and make some
5 minor repairs and it was the last dewatering before
6 we awarded the coffer dam contract and began
7 construction of the new lock.

8 Next slide. Then May of 2000, as you can
9 see there, we awarded the construction contract. At
10 that time, we thought that it would be 2006, 2007
11 when we got the new lock completed and in operation.
12 In December of 2000 we started receiving the new
13 miter gates. As you can see there -- at that time,
14 when they were delivered in 2000, they came in
15 sections and had to be assembled down on site at
16 LRS. In 2002 also, the gate lifter crane was
17 basically complete and in January of 2001, the
18 auxiliary chamber was permanently taken out and
19 we're now, as you can tell, we're in the fourth year
20 of the closure of that lock chamber.

21 Next slide. We've seen several slips in
22 the construction schedule. I know -- you've already
23 heard a couple of the reasons why that occurred. We
24 just -- we've not been able to achieve optimal
25 funding on the project along the way and as a

1 result, the construction period is extended. We've
2 had a great contractor out there helping us out and
3 done a great job for us. And he has over the last
4 couple of years been put in a position where he's
5 actually -- he's funded the project for a couple of
6 months for us along the way. We continued to make
7 progress. We're still working and those of you who
8 can get out there after we're wrapped up, you'll see
9 a great project underway down there.

10 I did have a couple of problems, one is
11 the funding and the other is tying in to the
12 existing lock. And that has a lot to do more than
13 just tying in to the lock with the coffer dam, it
14 also has to do with some anchorages we had to put in
15 to the old lock structure because we had water on
16 one side and none on the other in changing
17 conditions.

18 The lock completion is significantly
19 different now because of the funding constraints and
20 some minor construction challenges. Now we're
21 looking at completion in 2008 if we have optimal
22 funding. And if we have projected and what we
23 really truly expect to see as funding, it's going to
24 be 2011 or so before we get that new lock completed.

25 Greenup and Markland. And I mentioned

1 earlier, these gates at McAlpine are most similar to
2 these two locks and the gates there. And what we've
3 seen at those two facilities is continuing problems
4 with the gates, where you see cracks appear and you
5 need pretty steady maintenance and repair. The fact
6 that we are up at Markland, we're dewatering up
7 there on an annual basis, looking at the gates and
8 repairing the cracks that appear. And what we're
9 looking at in general at McAlpine is given the
10 extended construction schedule, we were going to
11 have to go at least nine years there from major
12 maintenance to major maintenance and that was just
13 not prudent, it was just too long given what we were
14 seeing at Greenup and at Markland.

15 What we did do is led to more frequent
16 dives. We were going down every six months, taking
17 a look at the gates. I guess about a month ago we
18 noticed a pretty significant crack that raised sort
19 of a concern with us. We went back down a few weeks
20 ago and saw that thing and got really concerned that
21 the cracks were quite significant that we were
22 seeing down there. Given the fact that that big
23 change over such a short period of time and our
24 history that we saw at Greenup and also at Markland,
25 it motivated us and we're now of the opinion that

1 emergency repairs to this facility are necessary.

2 I think the first time I said out in the
3 public was a couple weeks ago down at the Evansville
4 Propeller Club that we were starting to seriously
5 consider an outage in the fall of '05. And I know
6 I've discussed that with a few of you present here
7 today that we were starting to think that that was
8 going to be a necessity, to do that in the fall of
9 '05. It puts us in the middle of the construction
10 cycle more or less at McAlpine and we thought we
11 might be able to go from there to end of
12 construction without having to go back in again.

13 Like I said, we kept diving on the
14 structure. May of '04, we see some significant
15 cracks. We'll talk about that a little bit more in
16 some of the following slides. But at that point, we
17 were convinced that we had to go in and do something
18 quickly.

19 And again, I may have already talked about
20 these. Just to give you a little graphic reference,
21 though, we're talking about the lower gates on the
22 north side, on the Indiana side, the river side of
23 the lock chamber. That gate in particular -- and
24 I'll point out in just a few minutes exactly where
25 we're talking about these cracks exist.

1 Our challenge is two things, we're very
2 concerned about a failure of the structure which
3 would mean a long and significant outage, and I
4 don't think anyone wants that. Our real desire, to
5 be repaired quickly. Now, there's two things that
6 stand in our way on that, one is river conditions.
7 The river being where it's at today, we could not
8 repair that structure today given the stage in the
9 river. So we really and truly need low water
10 conditions to be able to do that. The earliest we
11 could get in there is probably two to four weeks.
12 That has a lot to do with mobilizing and
13 demobilizing the fleet and getting them down there
14 and getting some of the parts, those kind of things.

15 And quite honestly, on the tail end of
16 this, we have very limited flexibility as well.
17 We're going to listen to your input in a bit, but on
18 the tail end, we've got another structure down river
19 at lock and dam fifty-two that we're really
20 concerned about as well. Both those things need to
21 be repaired and both of them need low water
22 conditions to be able to do that work. And as you
23 can tell, sometimes I get ahead of myself. I've
24 already talked about lock and dam fifty-two.

25 But again, our big concern is twofold,

1 one, the imminent failure -- river conditions are
2 out there and we need good river conditions to be
3 able to do the work. And we are very concerned
4 about a catastrophic failure at that structure.
5 We're going to continue to dive on this structure.
6 We're going to go down every two weeks and make
7 sure, observe. We do not want a catastrophic
8 failure of that gate down there that's going to put
9 us out for a long time if we have that. And the --
10 if the divers go down and they find something, there
11 is a possibility we could have an immediate closure.

12 And I think the message from that should
13 be is that everyone -- excuse me. Everyone should
14 be trying to change how they're doing business.
15 Don't wait until the end of July to be trying to
16 move and stock pile product. These cracks are
17 pretty serious and if we determine that a failure is
18 imminent, we're going to move quickly and make sure
19 that doesn't happen and repair that structure. So
20 keep that in mind and plan accordingly and try to
21 move things forward as much as you can.

22 All right. If you will use the pointer
23 there for me. What we found is that down in the
24 bottom corner there as you can see, is the panel.
25 It's the hinge point on the gate. A lot of the

1 stress is concentrated there. These gates weigh
2 about two hundred and fifty tons. You get a lot of
3 stress on the steel in those corners and you get a
4 couple of brakes. You get breaks that occur around
5 the pintle itself and then out away from it. On the
6 flange and along the web, you'll see some cracks.
7 We have seen some cracks there as well. Tough spot
8 because where those cracks are showing up there is a
9 high stress concentrations and a high likelihood of
10 a failure if those cracks continue to propagate
11 along the way.

12 Just to point out a couple of the points
13 there so we may talk about them a bit later on, is
14 you'll hear me use the term quoin blocks and miter
15 blocks. And also the anchorages. And I'm going to
16 comment in a few minutes about using the gate lifter
17 and why there is more time required to do that on
18 this structure at this point.

19 This is just a blowup of the cutout on
20 that corner. And what you see there is the pintle
21 again, if you point that out for me. And show them
22 where the cracks that we see -- cracking there and
23 also on the flange, on the bottom girder.

24 This slide, I'll tell you the main thing
25 I'm trying to get across in this slide. This

1 structure is very complicated in this corner,
2 there's a lot of steel, a lot of stiffeners. Not a
3 significant space. We have contemplated the idea of
4 using under water welding to get at this structure.
5 Our confidence level is pretty low that we could
6 deal with this because it's very confined spaces.
7 Visibility is very poor in that murky water. And
8 the other thing is, it's really a complicated
9 structure down there and it would be very difficult
10 to make sure we've identified and corrected ever
11 crack that we can see.

12 All right. And hopefully, you get to
13 see -- this is a video of one of the cracks. This
14 is the crack that's on the girder where the angle
15 came down to the girder away from the -- away from
16 the corner there at the hinge. As you can see, the
17 crack is -- you can see visibly the crack -- the
18 crack itself runs from about the edge of the flange
19 down to the web. That's about six-inches. That
20 piece of steel is about one-inch thick. So it's a
21 significant piece of structure that's cracked right
22 there.

23 All right. What do we have to do in two
24 weeks. We have to mobilize down there, dewater the
25 chamber. We've got to clean the pieces and parts

1 off, identify and find all those cracks. Given our
2 experience at Greenup and also at Markland, we would
3 expect that there's probably more cracks there than
4 what we're seeing now. We're just seeing the big
5 ones.

6 We're going to confirm -- as I said, to
7 confirm the repair method, we've got a couple of
8 things we're going to do. One is just simply
9 welding back these cracks, the other one is to
10 actually try to reinforce and place some plate steel
11 across the joints to stiffen those up and we'll be
12 ready to demobilize and go.

13 Now, that's not all we're going to do, of
14 course. While we've got this thing dewatered, we'll
15 have the entire repair station down there, or the
16 majority of it, and we're going to do a lot of other
17 things along the way. And as you can see, we're
18 planning on working around the clock, no days off,
19 while it's closed. The critical welds that we're
20 undertaking to repair those cracks, we're going to
21 work on those continuously, no breaks, from daylight
22 to dark until we're done.

23 The gate change out. At this point, the
24 gate change out capability, using the gate lifter
25 and the spare gates, is primarily an insurance

1 policy. You'll see later -- and I get ahead of
2 myself again. It looks like -- we firmly believe we
3 can be in and out of here in around fourteen days.
4 Take fourteen days to come and go. And to change
5 these gates out takes significantly longer. I know
6 there's consider -- we've already fielded numerous
7 questions asking why does it take so long to change
8 them out. And that's because the gates that were in
9 there need to be retrofitted to be able to
10 accommodate that quick change.

11 About the quickest we would actually
12 change a set of gates anyway is about fifteen days,
13 if it was optimal conditions. And we don't have
14 that here. The mitering and quoin blocks we pointed
15 out a while ago have to be changed, the anchorages
16 on the -- well, just laymen's terms, the hinges have
17 got to be altered as well. And until that's done,
18 you can't really accommodate these gates on quick
19 change out. And as you recall from the time
20 earlier, we actually got these gate structures late
21 in the process and did not have an opportunity to
22 retrofit the structure.

23 And quite honestly, when we started this
24 process based on construction time and how long we
25 thought we would take to complete the lock chamber

1 and the conditions of the locks, we did not
2 anticipate a need to go back in and do what we're
3 talking about doing here in August. And again,
4 we're evolving and as we get an opportunity, we're
5 changing the -- all the gates up and down the Ohio
6 to a quick change out capability and completely
7 modifying the structure to make sure we can do that
8 in a timely way.

9 Again, I got ahead of myself a bit. The
10 bottom line is, we think we can repair the gate in
11 place quicker, fourteen days versus thirty plus. It
12 could be as many as forty-five to try to change
13 those gates out at this point. Our contingency plan
14 obviously is, if we got in there and the structure
15 was in such poor shape, which we don't see at this
16 point, the contingency plan is to replace the gates.
17 The obvious thing is repairing the gates in place
18 is -- the obvious advantage is a much shorter closer
19 length. The con is we're still -- the down side is
20 we're still vulnerable. We still could have some
21 fatigue problems on those gates, could have to go
22 back in and do some work on those again. Just the
23 simple length of time it may take to complete this
24 structure out to 2011 and put it in operation, that
25 alone, you obviously account seven years. Our

1 normal cycle is five and on these structures, we're
2 working on them much more frequently than that on
3 Markland and Greenup. So it's always possible we
4 would have to go back in there again.

5 All right. And this is just basically a
6 list of things that we wanted to try to talk about.
7 And I've got a great group of folks up here and some
8 in the front, some in the back, and we've got the
9 Coast Guard to try to handle some of these issues.
10 We're going to save on the -- we're going to talk
11 about the impacts to the waterway users that the
12 customers -- at the end of the thing. Perhaps we'll
13 address some of the concerns along the way as we
14 progress. Now, we would certainly like to hear from
15 you any of the -- any of your concerns and the
16 impacts that you're going to have on your business.

17 All right. Right off the bat, closure
18 dates. Right now, we're looking at the 3rd through
19 the 16th. We've had comments and input from several
20 customers and users regarding that. I've tried to
21 touch base on some of our key concerns. Primarily
22 about those is, we're very worried about the
23 structure, we would rather do it sooner rather than
24 later. Any flexibility we have about moving later
25 is tempered by the fact that this structure and lock

1 and dam fifty-two both need to be -- have work done
2 to them this year. And the further we push this
3 back, the more at risk we put fifty-two and the bear
4 traps down there as well, because of high water
5 later in the season.

6 I know one of the concerns that we've
7 heard is the timing of the Cannelton closure, the
8 1200 footer down there. It's currently scheduled
9 for 7 through 24. And just as a question, I want to
10 know -- and we all would like to know what's the
11 impact and the adverse affect to traffic on the
12 river in doing that given the fact that we're going
13 to have to close the only -- the lock at McAlpine in
14 early August.

15 So with that, I would love to have your
16 all's input. If you would -- we've got a
17 microphone, \$. If you would, make sure you hand
18 that around. And if you've got any input and
19 comments that you would like to offer to us as
20 questions, anything along those lines, if you would
21 just state your name and who you're with so we can
22 make sure we get that for the record. Thanks.

23 Anyone got any questions? \$?

24 ACBL1: My name is \$\$\$\$

25 with ACBL. Colonel, a couple of questions. One is

1 the length of time to change the gate. Say if you
2 were only changing the lower gates, is that the
3 thirty day or does the thirty day contemplate upper
4 and lower?

5 ACE1: The thirty, forty-five
6 days is lower gates only. It would take longer,
7 maybe as many as sixty, to change upper and lower.

8 ACBL1: Okay. I guess the other
9 question is in terms of a manpower loading
10 situation. If we're talking about lunch and breaks
11 and everything, you know, in a fifteen day period,
12 if it was manpower loaded such that you constantly
13 had somebody welding on cracks, it's conceivable
14 that, you know, we can even save a day maybe off the
15 closure. I guess what I would offer to you, one, is
16 do you have sufficient personnel to manpower load,
17 to minimize the length of closure, and if not, I
18 would offer to you industry capability if it were
19 needed to supplement the work force there if it can
20 be dealt with under some contracting mechanism.

21 ACE1: \$\$, we certainly
22 appreciate that offer. You've always been very
23 supportive and we appreciate that now. Quite
24 honestly, we're planning on keeping welders active
25 on this thing twenty-four hours a day, basically,

1 from start to finish. And the critical action
2 that's going on is in those specific locations --
3 and quite honestly, we think we've got enough
4 welders at this time to concentrate on those and
5 keep those working nonstop, twenty-four hours a day.
6 The problem is, there's just not physically enough
7 space around those cracks that we know about to get
8 anybody else in there to keep the work going.

9 In reference to your question about the
10 gates earlier, I wanted to offer something else,
11 too. The reference to changing out the upper and
12 lower gates, I would say that one of the things we
13 have a concern about is if we went in and changed
14 the upper and lower gates, we would have no safety
15 valve as well, there would be no back-up if there
16 was an accident, if someone hit the gates. The
17 river at that point would be down for a long period
18 of time. So we want to -- we would not be inclined
19 to try and replace both upper and lower sets of
20 gates, we would like to have a back-up set, two
21 gates at a minimum.

22 AEP2: I'm \$\$\$\$with AP MEMCO.
23 Saying that you could possibly mobilize within a
24 couple of weeks, could you do this emergency repair
25 of McAlpine coinciding with the closure at Markland

1 on 6-17 through 16?

2 ACE1: Well, for one thing,
3 the Markland closure is coming up immediately. The
4 problem we've got right now on the river is we
5 couldn't work out there. One of the conditions I
6 mentioned was the stage on the river. And right
7 now, the river is about six feet higher than we
8 could possibly dam off the structure to be able to
9 work on. So we're going to have to get the river to
10 fall out before we could do that. And even if we
11 had that, at this time of year the risk is pretty
12 significant that we could get a rise in the river.
13 \$\$ keeps telling me there's always a June rise on
14 the Ohio out here. But our concern would be that at
15 this time of year, there's always a potential the
16 river could come up and run us off the job and
17 extend the outage even longer. So our preference
18 would be to push it out a little bit further to make
19 sure we had low water conditions.

20 AEP2: Well, what were you out with
21 the two to four weeks you talked about a few minutes
22 ago then?

23 ACE1: That's the earliest we
24 could get back out there to get started on the
25 thing.

1 AEP2: What are your predictions on
2 river levels now, could they accommodate a June 7
3 closure at McAlpine?

4 ACE1: I don't -- I gave up
5 trying to predict river levels a long time ago.

6 ACE2: \$\$ \$\$, chief of
7 operations, Louisville. There is multiple
8 constraints on trying to do a concurrent Markland
9 and a concurrent McAlpine closer. One is just the
10 pure planning for the job. The Colonel mentioned
11 that at McAlpine we're going to fabricate plates and
12 try to strengthen those gates. I can't get those
13 plates fabricated in ten days. We've got to have
14 some time to mobilize on McAlpine. That's got to
15 coincide with the right water conditions. We are
16 going to be mobilizing for Markland at the close of
17 Memorial Day weekend and headed up there. You all
18 have already been notified that we're going to close
19 the main chamber of Markland.

20 Meldahl is scheduled now to be closed at
21 the same time. So we could be screwing up
22 somebody's shipping schedules if we decided to do
23 something different at Markland, push it out a
24 little bit to get a coincidental closure with
25 McAlpine. I just don't think it's doable. The two

1 to four weeks is -- if we had favorable river
2 conditions today and we decided that we had to do an
3 immediate closure down there -- what the colonel is
4 saying is we think it's going to be two to four
5 weeks to get in there and start that job, if we had
6 favorable river conditions today. And we might have
7 to go in there without some of that plating that we
8 want to put in terms of reinforcement. So when we
9 say we want to do it earlier, we would like to do it
10 earlier than August 3rd. We don't want to do it on
11 June 7th because we're not ready to do it. But
12 between June 15 and August 3rd, somewhere in that
13 time frame, if there were no constraints on you all
14 in terms of notice, we would like to do it. If we
15 had favorable river -- we would love to substitute
16 for the Cannelton closure now scheduled in July.

17 FROM THE FLOOR: You said that Meldahl is
18 now scheduled to go concurrent with Markland?

19 ACE2: Yes. \$\$\$\$ is back
20 here, chief of operations and division. He has
21 discussed with Huntington their Meldahl main chamber
22 closure, which was scheduled for June 7th through
23 July 2nd, I think. Is that the correct date?

24 COE1: June 21 through July 16, I
25 have.

1 ACE1: Bob, would you identify

2 yourself and repeat that, please?

3 COE1: \$\$\$\$ from division --

4 operation and division. We coordinated with

5 Huntington to make the situation better. And

6 Huntington told us it was scheduled to go from the

7 7th of June to the 2nd of July and will now coincide

8 with the Markland closure, which goes on 7 June to

9 16 June, okay. Hopefully that will help. That

10 means that we won't have that extra two weeks of

11 closure at Meldahl at the 1200 foot chamber.

12 FROM THE FLOOR: Okay, that helps.

13 ACE1: The other thing, I

14 think that we had on our mind too was, quite

15 honestly, we were pretty concerned that a couple of

16 weeks' notice probably wasn't enough for all the

17 users out there either along the way. And

18 especially given it the total closure at McAlpine,

19 that seemed like a pretty abrupt move to make in two

20 to four weeks.

21 ACE2: To tell you the truth, we

22 have not considered in the last week moving that

23 closure up as early as June simply because we felt

24 like you needed more notice than that to adjust to a

25 river closure. That was the last alternative that

1 would have been on our mind.

2 ACBL2: Colonel, \$\$\$\$ with

3 ACBL. My understanding of the time frame for the

4 closure would be the fourteen days for the repair of

5 the gates, or up to thirty to forty-five days for

6 change out of the lower gates. Instead of the --

7 every two week dive inspection, is there any

8 opportunity for the Corps to dewater that main

9 chamber now and make the assessment whether or not

10 the gates would in fact have to be changed out and

11 whether possibly extend the closure when it actually

12 happens?

13 ACE1: And I'll let these guys

14 jump in and tell me if I'm wrong, but I think it

15 takes about three to four days -- and we would have

16 to mobilize, get three or four days, dewater the

17 lock, do the inspection. You have to clean off the

18 metal surfaces, those kinds of things. There are a

19 lot of details that go along with that that I was

20 omitting along the way. So I think at best, you're

21 still talking about four to five days just to get a

22 lock at it. And then at that point, you've got to

23 re-water; take the structure back out, the bulk

24 heads. So it turns into -- you know, the bulk of

25 that time would be spent watering and -- dewatering

1 and re-watering the lock chamber.

2 INGRAM-1: \$\$ \$\$ with Ingram Barge.

3 Regarding your point up here about the timing on

4 Cannelton, is the question, can that be either

5 simultaneously conducted with the closure for

6 McAlpine or is it a case where it could be pushed

7 even to next year? What is the point here?

8 ACE2: The question is, should it be

9 eliminated. Is it going to cause you enough

10 problems in trying to get your movements upbound and

11 down bound through McAlpine that we should abandon

12 that closure and take it off the schedule

13 completely, which we're prepared to consider.

14 INGRAM-1: I don't think there's any

15 question that the timing of that, as it pushes up

16 against within a matter of a couple of weeks or so,

17 the closure of McAlpine, that at a minimum -- I

18 guess we probably could live with it if it were

19 simultaneous with the McAlpine closure, but

20 certainly that risk -- I think I'm speaking for

21 everybody, though, we would much prefer if this

22 could be pushed out to next year. Anybody disagree

23 with that?

24 ACE1: I think that's one of

25 those things like the welding, having seen no

1 disagreement there, yada, yada for the reporter.

2 AEP2: \$\$\$\$ again with AEP MEMCO.

3 I want to get back to this, how soon do you think

4 you could do the closure at McAlpine? You said two

5 to four weeks up there, I'm just trying to

6 understand how quickly you could really do it, \$\$.

7 I mean, if we all said sooner was better, how soon

8 could we do it?

9 ACE2: I've asked you for four weeks

10 and favorable river conditions.

11 AEP2: So if you eliminate Cannelton,

12 you could maybe start on it the last week of June,

13 if we had favorable river conditions?

14 ACE2: (MOVES HEAD UP AND DOWN.)

15 ACE1: And we have talked

16 about that quite a bit.

17 AEP2: And what does history show

18 about river conditions late June?

19 ACE2: Unfavorable. Statistically

20 less favorable than mid July. Statistically less

21 favorable than late July. Statistically less

22 favorable than early August. The further we go from

23 June to early November, the more favorable the river

24 conditions are. And that's pretty much from here to

25 Cannelton.

1 CENTURY1: I'm \$\$ \$\$ with Century
2 Aluminum. We have a continuous operation at
3 Rangeland, West Virginia that without the feed
4 stock, we'll shut and would not reopen, given the
5 cost of starting that facility. About seven hundred
6 employees, three hundred retirees at this point.
7 That's our northern most plant. The feed stock that
8 we use along with our metal aluminum is called
9 Alumina, and it's in tight supply world wide, as a
10 matter of fact it's selling at two-and-a-half times
11 what it sold at a year ago. We can't surge and pull
12 ahead very quickly. In our instance, the longer we
13 can put this off, the better, understanding that you
14 do need to get it fixed. So for us, if we were down
15 in June, it would be catastrophic.

16 ORMET1: Ms. \$\$ with Ormet
17 Corporation. It's impossible to mobilize the supply
18 in that time frame. \$\$'s supply, what he's talking
19 about, is at least thirty days away from that lock
20 right now, even if we were in a position to put
21 enough on the river to basically cover a three-week
22 time frame. First, we have to have our suppliers
23 basically mobilize their supply in order to get the
24 time frame to start moving the product into the
25 river and through the position. If you close that

1 lock, with even a two-week notice, we still have no
2 potential to get the material up the river and
3 through that lock before we would then have -- be
4 out of material. So the longer we have, the more
5 notice we have -- you know, basically, ninety days
6 notice would even be better, because it would give
7 our suppliers a chance to get material to us.

8 ACE1: And I guess you sort of
9 answered the question I have, is how much time do
10 you need?

11 ORMET1: The longer the better.

12 ACE1: The longer the better.
13 Now, I mentioned earlier, if you didn't pick up on
14 it, we think our window of opportunity is no more
15 than a couple of weeks later. We feel like we're
16 really putting ourselves at risk on another very
17 important maintenance job down the river to stretch
18 that out two weeks. But that's the kind of input we
19 we're looking for here today, is to try to make sure
20 we understood what the impacts were.

21 Ormet1: Well, we have the same number
22 of employees that \$\$ has. We have at least a
23 thousand hourly employees between two facilities and
24 if we put both that and a rolling mill in danger,
25 \$\$'s plant produces product for the U.S. government

1 that they basically need for planes for the
2 materials for the war efforts. So, I mean, this
3 puts the government at risk also for critical
4 materials.

5 ACE1: Thank you.

6 BAYER1: My name is \$ \$ \$ \$ with
7 Bayer Corporation in Pittsburgh. We have a
8 manufacturing plant in South Charleston, West
9 Virginia. Key raw material will be dock side and
10 we're a hundred percent dependent on that product
11 for manufacture of polypropylene glycol. About
12 ninety plus percent of the content of polypropylene
13 glycol is propylene oxide. We are one
14 hundred percent dependent on the river for this
15 supply. We have no other mode of transportation
16 other than barge. Propylene oxide is also tight
17 around the world at this time and it would take us
18 at least until August to build up sufficient
19 inventories of both raw materials and finished goods
20 to get through the fourteen-day outage. Anything
21 beyond the fourteen days, we feel would be -- would
22 have a significant impact on our company resulting
23 in millions of dollars of loss for us, shut down of
24 dozens of industries, including key manufacturing
25 companies in the U.S. and the American automotive

1 industry. That industry, we are a key supplier to
2 that and that is an industry that does not have any
3 wide spots in the line to absorb any hiccups in the
4 supply chain.

5 ACE1: Thank you.

6 LYONDELL1: I'm \$\$ \$\$ with
7 Lyondell Chemical and we supply Bayer with their
8 propylene oxide. We're also the owner and operator
9 of the barges that carry that material from our
10 facilities back to U.S. Gulf. We do have a limited
11 amount of these barges. They are specialized. We
12 have fourteen barges in service. So it is going to
13 be important not only before the closure on the
14 loaded barges coming up from the U.S. gulf, but also
15 getting barges back south, back to our plants to
16 reload the empties. So we are in a situation where
17 we have a limited amount of equipment to move this
18 material up from West Virginia. So -- I think \$\$
19 mentioned -- started maybe one of the questions that
20 we have, will there be any prioritization for
21 equipment that is dedicated and needed to keep lines
22 open?

23 ACE1: Yeah, I think we've
24 got -- one of the next slides popping up here in
25 just a second when we get beyond this topic

1 addresses that. I think between the task force and
2 the Coast Guard, we're hoping maybe we could piece
3 together some system to be able to prioritize and do
4 that. But I would like to follow up. You mentioned
5 at least early August. Is there a specific target
6 date that you have that you have to have that you
7 believe you need to ship that product up and have
8 enough on hand to keep operating?

9 BAYER1: From our perspective,
10 because of the tight inventories and strong demand,
11 in primarily the U.S. automotive industry these
12 days, a lot of products across the board, we could
13 use every day we can get beyond the August 3rd if we
14 could. That's still not to say we would be in good
15 shape. But we're saying the more time we have, the
16 better shape we'll be in.

17 ACE1: Thank you. Anyone
18 else?

19 INGRAM2: \$\$ \$\$ with Ingram Barge
20 Company. You're projecting a two-week closure,
21 regardless of when you start, but what I wonder is
22 based on the experience we had last year with
23 Greenup, is there any reasonable probability that we
24 might get beyond the two weeks? And if so, if there
25 is risk there, how early on in the repair process

1 are you going to know that and be able to make that

2 call?

3 ACE1: I'll take the last part

4 because I know that answer pretty definitively. I

5 asked that question specifically a little bit

6 earlier. I think that we're going to be about three

7 to four days in the process before we can

8 definitively know how long that's going to take.

9 Our confidence level is real high, but I'm going to

10 let \$\$ and \$\$ field that question. But I think

11 somewhere around three to four days in because we've

12 got to get dewatered, cleaned off, like I mentioned

13 earlier, expose the cracks and get a chance to

14 inspect the gate and make a decision on how long

15 that's going to take.

16 ACE13: I'm \$\$\$\$with the Corps

17 of Engineers. And actually, the colonel is right

18 and that's what we advised, after we get the mud

19 cleaned off, the water pumped out, it takes you

20 three to four days depending on how things go to

21 really check things out. One of the things we could

22 do if we did get in there and found a real bad

23 situation, we would have several options at that

24 time. We wouldn't necessarily have to go straight

25 into a long closure if perhaps there would be a way

1 to make some emergency repairs, regroup and
2 re-prepare. We don't think that's going to happen,
3 but I would think at that point, when we get further
4 along, we would have some options there. I don't
5 think the odds of running into something so terrible
6 that we couldn't, at worst, maybe patch it up, get
7 out and re-prepare to go in and make a gate change.
8 That would probably be the type of approach you want
9 to consider. And I think the odds of anything
10 beyond that would be slim.

11 ACE1: And what he's talking
12 about there is have a short outage, make some
13 repairs, put the system back in operation and turn
14 the spigot back on river traffic and look for an
15 opportunity to go back and do repairs at a later
16 date.

17 ACE2: Rick, you want to stick your
18 neck out with \$\$on that one?

19 COE1: Not really.

20 ACE2: I think that's what you've
21 got to recognize, we don't know what we don't know.
22 Greenup's situation -- Greenup had not been
23 dewatered for a long time. I'm not sure what kind
24 of dive inspections they had. \$\$may know the
25 story better than I do. Suffice it to say, they

1 were surprised when they saw the extent of damage
2 and that surprise is what contributed to that
3 lengthy closure. We think our chances of surprise
4 are less, but there are no guarantees. And so I
5 think \$\$stuck his neck out as far as I would want
6 to stick it. We're going to be three days into the
7 job and we will give you -- we will know then what
8 we've got. Our intent is we will work no longer
9 than fourteen days. We believe the critical repairs
10 can get done in fourteen days. There may be more
11 work we could do if we stayed fifteen days or
12 sixteen days. We have no intention of doing that.
13 Nice-to-do stuff will not be done. Only that
14 critical to assure we don't have a catastrophic
15 failure is what we're going to do in fourteen days.
16 The other side of that equation is, we might get out
17 earlier than fourteen days. We're trying to give
18 you worst case. We're going to do everything
19 possible to get out earlier than fourteen days
20 because we know one day and two days, in the case of
21 Bayer, in the case of the aluminum plants, is life
22 or death, economically. That's where we're heading.

23 ORMET1: You answered my question,
24 basically, on what risk factor you would put on
25 whether the expected repairs to last longer than

1 fourteen days because preparing for a fourteen-day
2 outage is one thing, preparing for a -- we would go
3 to a completely different type of system, or have
4 to, either to shut down parts of the plant or else
5 to try transloading if anything took any longer
6 length. So it will be also important that we would
7 have communication just as soon as the repairs
8 started and as soon as you knew. Because if it did
9 look like it was going to take longer, we would need
10 to mobilize and do something different.

11 ACE1: Understand. And one of
12 the things we're going to do is maintain a web page
13 that would keep updates so that you can get
14 basically instantaneous information. And as we
15 start this process, we will absolutely post that and
16 distribute information as well. We could probably
17 do that through the notices as well, notices of
18 navigation. So we'll do both things.

19 CENTURY1: One question I have not
20 directly related to the exposure here. I'm going to
21 go back and face our management, face employees and
22 they're all concerned. We've already talked with
23 the plant up there. You know, as a company, we go
24 through and have preventive maintenance schedules
25 and that type of a thing. Can you explain a little

1 bit about the scheduling here and how these things
2 crept up. Metal fatigue doesn't really happen in two
3 or four weeks. How often is there other exposures
4 that we may not see out there on the river that's
5 going to impact us at a different point?

6 ACE1: Well, again, all these
7 gates up and down the river are a little bit
8 different design. When you look up at Greenup and
9 Markland and McAlpine, those gates are pretty much
10 similar design -- Meldahl, I'm sorry. All of them
11 are basically the same design for the structure
12 itself. We've seen problems with all those along
13 the way. We dewater and check the gates at Markland
14 every year and take a look at those. Started doing
15 that two or three years ago, \$\$, something like
16 that? We take a look at them every year because we
17 see serious cracking. We can't do that at this
18 point at McAlpine. So that's one of the issues.
19 The normal schedule on these things is dewater once
20 every five years. Right now, we're going to be
21 diving every couple of weeks to take a look at this
22 thing. Keep in mind, a lot of these structures were
23 put in place in the '60s and that time frame so
24 they're getting old. You know, we're starting to
25 see problems on the gates on all those structure

1 now.

2 ACE2: I would like to add a little
3 thing on there. We're in a funding constraint on
4 preventive maintenance. I have a set of gates at
5 Markland, which I should have replaced three years
6 ago based on the engineering finite element analysis
7 of risk of failure of those gates. They're now
8 three years on borrowed time. I have had an
9 approved report at the Washington level in the
10 neighborhood of twelve to fifteen million dollars to
11 replace gates at Markland's main chambers as part of
12 approved major rehab. I can't get that in the
13 budget. I can't get that in appropriation.

14 So I'm beyond doing what we all might
15 consider the normal routine preventive maintenance
16 and then replacement cycle on a lot of our major
17 components on our locks because of funding
18 constraints. We're now doing an annual dewatering
19 on Markland. That's our preventive maintenance, is
20 to totally dewater the lock and patch up the gates.
21 That's not a good preventive maintenance program,
22 but that's where we are.

23 So in answer to the preventive maintenance
24 thing, where we've got good components that are
25 subject to good preventive maintenance and we have

1 auxiliary locks that function, we've got a regular
2 preventive maintenance program. You don't see this
3 issue at Newburgh, you don't see it at Smithland,
4 you don't see it at Myers, and so on. You see it at
5 lock and dam fifty-two. I've got a main chamber
6 down there that was designed for a twenty-five year
7 project life in 1970 something. You were there. It
8 was a temporary 1200 foot chamber we put back in the
9 late '60s at lock and dam fifty-two. We're now in
10 2004 and Olmsted is still not done. Am I doing
11 preventive maintenance at lock and dam fifty-two?
12 Yeah. But it's a strange use of the term, I guess.

13 AEP2: This is \$\$\$\$\$. If the
14 intent is to build stockpiles prior to this
15 McAlpine closing and the two main chamber shutdowns
16 at Markland and Meldahl aren't going to assist in
17 that, what's the possibility of moving those
18 closures behind or after the McAlpine to give us an
19 opportunity to build those stock piles that these
20 folks are talking about? That's certainly going to
21 impede building any stockpiles when we're going to
22 have two to three days of delays at each of those
23 locks.

24 ACE1: I'm talking about on
25 our end, as far as the impact on 52. At 52, we

1 really can't go down and do that work at this point,

2 the river --

3 ACE2: He's talking about the

4 concurrent closure --

5 AEP2: I'm talking about Markland and

6 Meldahl, moving those after McAlpine if the intent

7 is to leave enough time to build stock piles.

8 ACE2: First, you're not going to

9 have delays at both locks. The purpose of closing

10 them concurrently is you're going to have a delay on

11 one end of Meldahl, you're going to have a delay on

12 the other end at Markland. In between, it doesn't

13 make any difference whether you run the auxiliary

14 locks, you're going to have normal passage, no

15 delays. So it would be like one lock closed.

16 What are the odds of doing that? It's

17 May 27th, they're scheduled to close on June 7th.

18 That's a pretty big disruption on two major

19 maintenance jobs. A big waste of government

20 resources. I know that's not the most important

21 thing. How would we effectively utilize government

22 resources for what we were going to do there. We

23 will probably have a lot of idle plant equipment and

24 materials. I don't know what Huntington's schedule

25 is so I don't know what it would do to them on

1 Meldahl at the other end of the McAlpine closure.

2 What it would do to us is, we feel like we have to

3 do Markland this year.

4 So it would force us to substitute

5 Markland for lock and dam 52. One might ask a fair

6 question, get somebody else to do lock and dam 52.

7 There is one bear trap valve in the United States

8 that I know of operable. There is one repair crew

9 in the United States that I know of that knows how

10 to repair a bear trap valve. It is a 1929

11 technology. It requires a pretty good skill set and

12 the right set of people and equipment to repair it.

13 So I don't view it as a practical alternative to go

14 to contract forces, or even to go to Nashville

15 district or somewhere else and get resources and ask

16 them to do that bear trap job. So it just gets

17 pretty complicated.

18 I hope that June 16th to August 3rd is

19 when we're going to see that uptake in traffic. And

20 if we remove Cannelton from the schedule, you should

21 have pretty free open river conditions from

22 Cannelton through Meldahl.

23 Again, I don't know what Huntington --

24 what else Huntington has going on in that time

25 frame. I think \$\$ has a full schedule back there

1 that he can share with us. I would rather not try
2 to do it, I guess is the straight answer to your
3 question.

4 INGRAM2: Again, \$\$ \$\$ with
5 Ingram. We talked earlier about Cannelton being
6 pushed off perhaps until next year, but I wonder if
7 an opposing idea might be the possibility of doing
8 it at the same time as McAlpine. The closure of the
9 main chamber at Cannelton is probably going to be of
10 minimal effect if the river at Louisville is going
11 to be closed. So I wonder if in the long run
12 whether that's a better situation for the industry.

13 ACE1: That's something we
14 would certainly consider doing. One of the things
15 with the closure of Cannelton, the seriousness of
16 the repair effort is not the same in Cannelton as
17 we're looking at McAlpine. So investing in
18 resources, that's something we have to weigh as
19 well, whether we can better use those resources
20 there as somewhere else.

21 ACE13: I would just like to add on
22 that, within the Louisville district, we wouldn't
23 have the repair crew, the hardware, and the fleet to
24 do both of those at the same time. It could
25 potentially be done on a regional level, going into

1 something from Huntington, Pittsburgh. Personally,
2 I don't know how that would impact their schedule.
3 What we're looking at now on the short notice, I
4 think the idea of just canceling the Cannelton job
5 until next year would be more favorable to us unless
6 we demobilize other resources quickly.

7 ACE1: Anyone else got
8 anything? Flip to the next slide, please.

9 DELTA1: \$\$ \$\$ with Delta Queen
10 Steamboat Company. What is the latest that you would
11 consider closing the river, pushing it beyond the
12 August 3rd date?

13 ACE1: I think the very latest
14 that we could delay this thing is -- and you all
15 jump in if I'm off base. But I think it's two
16 weeks. That's the absolute latest we think we could
17 delay it.

18 DELTA1: August 17th as opposed to --

19 ACE1: Right. And basically
20 that removes -- from scheduling, that removes all
21 our float -- no float time at all on our next job
22 down at lock and dam 52.

23 DELTA1: When will you make the
24 decision?

25 ACE1: Probably in pretty

1 short order. After our meeting here, probably in
2 the next day or two we'll finalize that decision.

3 CONSOLIDATED1: \$\$ \$\$ with
4 Consolidated Crane & Barge. If you push that back
5 to like August 18th, we're still looking at fourteen
6 days being down, correct?

7 ACE1: That's correct, it
8 would still be fourteen days.

9 CONSOLIDATED1: And something really major,
10 it could be up to forty-five days, is that right?

11 ACE1: If it were really
12 major, it would be up to forty-five days.

13 CONSOLIDATED1: Then you're looking from --
14 from Cincinnati to Louisville, like fourteen
15 different grain facilities and that's about the time
16 that the grain should be moving.

17 ACE1: Okay, thanks.

18 CROUNSE1: \$\$ \$\$ with Crounse
19 Corporation. Just curious on -- I missed one
20 question there on the Cannelton. Is it possible to
21 do that concurrently with McAlpine?

22 ACE1: It's possible, but not
23 with the resources that we have on hand. Again,
24 that's something we haven't really planned to try to
25 do because we don't have the resources internally.

1 That's something we would have to do some more
2 significant planning on to see if that's possible to
3 do.

4 CROUNSE1: I see. How serious are the
5 Cannelton repairs, is that any problem?

6 ACE1: They're not very
7 serious. It's not the same scope of work at all
8 that we're talking about here. The Cannelton
9 closure is part of a regular preventive maintenance
10 dewatering cycle, five-year cycle. The only real
11 problems we have at Cannelton right now that affect
12 you are mooring bits, and we were going to replace
13 some of the mooring bits in Cannelton and then do a
14 regular dewatering inspection and do what we do
15 normally during a dewatering inspection, which is
16 bring everything back up to as new as we can get it.
17 Typical of what we do at every 1200 foot chamber
18 every, I think five years. No known critical
19 problems.

20 CROUNSE1: If this leads to increased
21 shipping prior to the McAlpine outage, is there any
22 increase in cycle time at the lock right now due to
23 the cracks in the bearing?

24 ACE2: At McAlpine, sure, every
25 cycle is more stress.

1 CROUNSE1: But is it a longer period of
2 time?

3 ACE1: It's a small impact.

4 We are trying to move the gates themselves a little
5 slower, but to fill an empty -- coming from Ron,
6 it's pretty much the same. But we are trying to
7 move the gates a little bit slower as we open and
8 close the gate structure itself.

9 CROUNSE1: So the longer you put the
10 outage off, the more likely you're going to have a
11 failure?

12 ACE1: That's correct.

13 CROUNSE1: How many days is it going to
14 take from there to catastrophic dates?

15 ACE1: That's a hard thing to
16 guess. It could be sixty days or so.

17 ACE2: Tell me the mode of failure.

18 If it pops off the pintle and is still standing,
19 it's not laying on the sill, then the Shreve will
20 come in, extract it, put new gate leaf or leaves in,
21 then we're in that forty-five day situation. Crash
22 it on the sill, and the salvage operation takes a
23 while, just adds time to it. We don't want to see a
24 catastrophic failure because we never know what the
25 mode of failure is. Put a tow boat in the chamber,

1 then have it collapse, send a tow out with the flow,
2 with the gate, find the gate down in New Albany
3 somewhere, you know, pick your apocalypse if you
4 want.

5 CROUNSE1: I hear your very latest you
6 would want to put this closure off is August 30, is
7 that right?

8 ACE2: That's right.

9 ACBL1: \$\$ and Colonel, a
10 question. From the stressing of the gate, is the
11 stressing and the potential increasing of the number
12 of cracks or the magnitude of the cracks, is that
13 being driven by the head loading on the gate or it
14 being driven by the number of times the gates are
15 opened and closed or is it a combination thereof?
16 And what I'm getting to is if it's a combination of
17 opening and closing it or placing it under head,
18 more times of head during the lock cycle process is,
19 is can we minimize the number of lockages and it
20 would be heresy if it got in the press, but could we
21 eliminate recreational boaters going through it?

22 ACE1: As far as recreational
23 boaters, that's something we hadn't contemplated or
24 given any thought to. I would have to get back to
25 you on that one. I think the loading, we talked

1 about that earlier. The loading is very complex in
2 that corner. So I think you see both things
3 happening. It's the head load that you see on the
4 structure itself when it's got a hydraulic load on
5 it from the water and it's also when it moves, you
6 see a loading as well. So I think it's a little bit
7 of both. It's a very complex loading in that
8 corner. And the occasional bump and grind that it
9 gets from a tow in there is problematic as well.

10 CROUNSE2: \$\$ \$\$ with Crounse
11 Corporation. You said you didn't want to push the
12 McAlpine back by two weeks. What happens if you get
13 into McAlpine and you get into the forty-five day,
14 what does that do to fifty-two at that point?

15 ACE1: It puts that work down
16 here at risk. I guess that's the obvious answer
17 there. And we just have to make a risk-based
18 decision and -- but the complete closure, if we had
19 a complete outage up at McAlpine, we would pursue
20 that work.

21 ACBL1: I could address a little of
22 the lock and dam 52. If we got on that time frame
23 and the job got longer, that job would have to be
24 cancelled for this year. So the bear trap repairs
25 rely on very low water and -- for a significant

1 period of time, a couple of months. So we would
2 have to cancel that, basically. And I might mention
3 what the risk is. We haven't really explained bear
4 trap repair at 52. But the three bear trap leads
5 are used to regulate pool. And to a large extent,
6 to counteract and be adjusted quickly for the
7 peaking floats that come out of Barkley and Kentucky
8 dams. So if we have problems with those rusting
9 out, we have a potential that one of them may not
10 raise under pressure like it's supposed to. And at
11 which case, in a low-flow scenario, it could
12 contribute to losing that pool down there. So the
13 potential impact there could be significant.

14 ACE1: Anyone else got a
15 question? All right. The next slide we've got --
16 could you kill the lights, please? Queue
17 management. From the simple engineering
18 perspective, we deal on a first come first serve
19 basis. Lock personnel base that on arrival. As you
20 see there, it's all viewable. That question is,
21 should there be other alternatives considered in
22 pursuing how we manage that queue.

23 The next slide is a related topic. Is
24 well -- queue and after reopening, how do we do
25 that. Like I said, from our point of view, we do

1 first come first serve. If the industry and the
2 users, you know, would like to propose a different
3 solution, we're certainly open to that. We're open
4 to suggestion. I've talked to Commander \$\$ a
5 couple of times about having his assistance in
6 facilitating that effort as well. Has anyone got
7 any input or comment?

8 ORMET1: My question would center
9 around what type of delay are you anticipating or
10 what kind of queuing problems? You know, are we
11 going to have product loaded waiting there to go
12 through gates in anticipation -- will Louisville
13 barge companies do that and, I guess I'm addressing
14 that to ACBL and Ingram -- and have materials
15 stacked up behind and ready to go in case they don't
16 get done in time?

17 FROM THE FLOOR: As with any of these kind
18 of closures, we would have cargos, try to get them
19 on queue as soon as possible, be in a position to
20 move, as the locks open as well as any of these guys
21 would, Ingram or MEMCO or anybody else. We'll be in
22 queue and ready to move as soon as -- the moment the
23 lock is ready for operation. I guess one of the
24 questions that the Colonel asked is do you use
25 traditional first come first serve or do you use

1 multiple one-way lockages. And my response to that
2 is based on a lot of the queuing theory things that
3 the industry has looked at over the years and worked
4 with the Corps, we have found that multiple one-day
5 lockage permits us to move more cargos through the
6 lock. However, in this particular situation, as it
7 relates to priorities -- and I haven't even gotten
8 to the issue whether certain cargos get priority.
9 But certainly, if the demand is up river, you may
10 want to consider, you know, locking upbound first if
11 that's where the critical demand is. Maybe you
12 lock, you know, twelve up upbound if that's where
13 the demand is. And that's where I hear the demand
14 being expressed by the alumina folks as well as the
15 chemical folks in that market sector.

16 Now, there may be other demands, but I
17 think that's something that we will all have to
18 work -- try to work out as best we can. But I think
19 the big question here is from a community
20 standpoint, do we want all the tows sitting in the
21 middle of the recreational -- this Louisville pool
22 up here that are waiting to go southbound, do you
23 want all of them sitting here at twelve mile,
24 six-mile island, where you have all the recreational
25 boaters here, do we want to kind of string those

1 out? The industry will have enough advance notice
2 to know when the lock is going to resume and those
3 boats that may hold up further up river, while
4 they're still on the queue list will maintain their
5 queue position as they move, or someone in traffic
6 control, so to speak, directed them down to be here
7 at a certain time to go through the lock. We should
8 be able to forecast and project that kind of traffic
9 control situation that we would work with the Coast
10 Guard and others to try to manage jointly in this
11 whole process. So -- but yes, I think everybody
12 would be prepared and ready to go as soon as they
13 said.

14 ORMET1: Sir, my next question is
15 going to be -- after that one is then what kind of
16 anticipated backlog do you expect to have then?
17 Because I really can't judge from just my own
18 plant's needs how many -- you know, are we looking
19 at a week delay, are we looking at a, you know, a
20 logjam, or are we looking at normal flow within two
21 to three days? I just don't know what normal -- not
22 being familiar with your end of the business, but
23 how much -- how many tows could be backed up.

24 ACBL1: Let me comment. The last
25 time the lock was closed, I think we got up to

1 fifty-eight, sixty plus hours lock delay, maybe
2 seventy-two. Do you remember? Somewhere in that
3 range. Of course that was with a 600 foot lock
4 being available, we got up to about seventy-two
5 hours delay. It took us -- once the main chamber
6 opened up, it took the industry about two-and-a-half
7 or three days, I think, to clear out that queue that
8 was waiting. For those of you that remember, that's
9 kind of what I remember, it was about two-and-a-half
10 to three days to clear up the queue. So if you've
11 got the river completely closed, it may take a week
12 to clear the queue out.

13 ORMET1: So you're telling us, a
14 minimum time frame for -- if we're going to put
15 supply in place, we need to look at least one
16 week in addition to the actual down time of the
17 lock.

18 FROM THE FLOOR: Well, whoever is first in
19 line is going to move first.

20 ACBL1: If we've got aluminae in a
21 tow or Ingram's got aluminae in a tow and we
22 collectively say well, those are going to be
23 priority cargos, maybe they go through the first day
24 as opposed to being the last day. Or if I've got a
25 boat that has commodity X in it, it's number two and

1 the boat that has the aluminae is in queue number
2 twenty-eight, I may swap positions with boat number
3 two to put in on through. Because each company's
4 got the latitude to decide who they want -- which of
5 their boats they want to lock given the priority
6 that that company possesses on the lump queue sheet.

7 ORMET1: But if everyone thinks their
8 cargo is the most important --

9 ACBL1: That's going to be a
10 difficult issue, as I mentioned earlier, and I
11 think, you know, we'll have to work collectively to
12 try to figure out what should be the ground rules
13 for determining the priorities. And I'm sure we'll
14 probably, as we work with the Corps and the Coast
15 Guard on this, it's not going to be an easy task.

16 BAYER1: This is \$\$ \$\$ with
17 Bayer Corporation again. We would suggest that the
18 Ingrams consider as ground rules two key issues.
19 One is transportation risk management and the other
20 is the commercial impact and plants that are facing
21 shutdown situations. Those being the key factors
22 used in managing the queue. Transportation risk,
23 certainly you have cargos that are more hazardous
24 than others, that you don't really want them to be
25 lingering around any longer than you have to, versus

1 some of the dry bulk that moves up and down the
2 river. The other one is plant shutdown. If an
3 industry makes a case that they're facing a plant
4 shutdown, that certainly should be taken into
5 consideration.

6 ACE1: As you can see, that's
7 one of the topics we had there for a little bit
8 later, but I know that the Coast Guard is concerned
9 about those same safe options.

10 GUARD1: \$\$ \$\$ from the
11 Coast Guard. One of the things we can do is we can
12 develop a matrix and give a score card based on -- I
13 just wrote down a few things -- criticality to the
14 nation. If it's a particular product, it's of
15 national interest. Storage capacity. If you have
16 zero storage capacity at your plant. Maybe you
17 might get a ten out of a hundred. You know, just
18 some kind of a matrix so that we can come up with a
19 score card that everyone agrees on that says, okay,
20 if you have a single source, if you have like one
21 place that you get your product from, that might be
22 worth a little more. And come up with a
23 collective -- maybe run it through one of the towing
24 safety advisory committees or the American Waterways
25 or come up with some kind of a work group that would

1 do that. That would be my suggestion. To come up
2 with a scoring matrix that we could all agree upon.

3 And base it on many factors, not just one, but
4 multiple factors that would all contribute to that.

5 ACE1: And that's why it
6 certainly says -- I think we need to, at this point,
7 address that issue one way or the other. I think
8 between the river industries and the Coast Guard, in
9 particular -- and we're certainly willing to
10 participate. But we're primarily in the execution
11 mode after decision making. But I think it would be
12 worthwhile to put together a work group of some form
13 to be able to try to recreate that matrix or some
14 mechanism to determine priorities or agree to
15 disagree and not having any priorities.

16 ACE2: Of course, I think under the
17 1899 River and Harbor Act, a passenger carrying
18 overnight passenger vessels have priority on the
19 system. So I guess the Delta Queen and the
20 Mississippi Queen will be at the head of the line if
21 they, in fact, still have a cruise. But beyond
22 that, that's all we have governing our -- who we
23 lock through, other than a first come first serve.
24 Government vessels and passenger carrying vessels.
25 So I think it is incumbent upon the industry group

1 and the Coast Guard to decide how you want to manage
2 that queue. I think one thing you have to consider
3 is in managing that queue, do not slow transit down.
4 You could easily get yourself in a position where
5 somebody says okay, I've got priority in the queue,
6 but it's going to take me four hours to get to the
7 place in the line I need to be. So we've got to
8 have as fast a lock as we can have.

9 TECO1: This is \$\$ \$\$ with
10 TECO Barge Line. I just have a question or a point
11 of clarification. We talked about queue management.
12 We're talking about queue management after McAlpine
13 reopens, we're not talking about any queue
14 management leading up to the closure, as we're each
15 working towards building stock piles for our
16 customers.

17 ACE1: That's correct.

18 ACE2: And that's a great point.
19 And let me tell you, we are going to have some tough
20 calls to make when August 3rd comes and you tell me
21 I've got the most critical load in the United
22 States, and it's Midnight, and I can't get there
23 until 2:00 a.m. and I say I've got to dewater that
24 lock starting at Midnight. That also is going to
25 have to be part of your group. You are going to

1 have to cut this off and everybody is going to have
2 to recognize there will be a date certain when that
3 chamber has to be flooded.

4 ACE1: Just as a general
5 comment -- and I know we have the great lock master
6 sitting back there, too. See, somewhere between
7 fourteen and twenty tows a day, does that sound
8 about right? So, I mean, if they were continuing to
9 show at the arrival point at that rate, that gives
10 you a scope of -- an idea about what kind of queue
11 you're looking at, maximum.

12 ACE2: Right.

13 ACE1: And the other thing is,
14 it takes forty-five minutes to an hour, roughly, to
15 cycle through at the chamber. Anyone else? So
16 Commander \$\$ and -- and who would be
17 interested in setting up this river --

18 INGRAM1: Again, this is \$\$ \$\$.
19 And \$\$and I and a few others have had some
20 discussion about this and this is probably too big
21 of a group to try to work these kind of rules out.
22 And obviously, there can be great debate on what
23 constitutes an emergency need, what high priority
24 is. So probably very soon, we'll probably try to put
25 a working group together. We may look to some

1 outside resource also to help manage that process.

2 So, I guess unless we --

3 FROM THE FLOOR: We've done this a lot of
4 times.

5 INGRAM1: Yeah, we have done this
6 before, maybe not to this magnitude. Certainly when
7 we go back to mill price before its day, that we had
8 issues with grain with significant closures late in
9 the summer. And to a lesser degree when we've had
10 McAlpine down before and had these pretty
11 significant delays. But it's interesting while
12 certainly some see the value of delay, from a grain
13 harvest perspective the longer it goes, it does
14 begin to impact that. So these are all things that
15 have to be taken into consideration. There are
16 critical issues from a homeland security
17 perspective. So it will be a challenge. And maybe
18 what we should do -- and I'll ask maybe at the table
19 back here -- those -- and we may have to limit the
20 number of participants that we have. But ask if you
21 would be interested in participating with a working
22 group, if you would leave your name back here at the
23 table and we'll again -- or maybe it's just a
24 matter -- you don't have to give all the
25 information, because we'll have it from when you

1 signed in. But we'll be soon getting back with you

2 and establish a way to get started on this.

3 ACE1: Thank you. Here's

4 another one that Commander \$\$ and the folks

5 in the Coast Guard are here about. And given that

6 we could end up with a long queue and a lot of

7 vessels along the river, along the river bank, we

8 certainly expect a lot of complaints. I think

9 probably the Coast Guard will end up fielding the

10 vast majority of those one way or the other. But

11 that's something to be concerned about along the way

12 as well.

13 ACBL1: Are all of the mooring

14 buoys that were strategically located in McAlpine

15 and Captain's Pool, are they all in service? Those

16 would be locations where boats could stack, you

17 know, two or three or four wide in those areas and

18 hang off. And that away, it would minimize the

19 impact or conflict with homeowners and recreational

20 boaters, so to speak.

21 GUARD1: We could get a survey of

22 what buoys are out there. We could look at the

23 service of those emergency buoys that are above all

24 the locks and dams. But this one, we're just going

25 to have to deal with in terms of -- I would imagine

1 these things are going to be fleeted from here to
2 Madison and from down bound all the way to Tell City,
3 as we back up these barges all along the river.

4 ACE1: So we'll make it a
5 point of following up and getting that information
6 back out and we'll post that on the web site as
7 well. Thanks Commander \$\$.

8 ACBL3: \$\$ \$\$, ACBL. What might
9 help with the complaints is letting the public know
10 what's going on. Is there any plans to -- I think
11 if you're a homeowner, and you know this is
12 happening, why its happening, the best, are there
13 any plans to communicate to the public on this.

14 ACE1: We are. We're planning
15 on expanding our media releases and including
16 propeller clubs and some other activities and the
17 media along the river itself. So yes, we're
18 planning on doing that. We haven't done it yet
19 because we wanted to have an opportunity to have
20 these discussions with industry first.

21 INGRAM1: Of course, it goes without
22 saying that we'll probably need to remind our crews
23 that if we are in people's back yards, let's not use
24 the bull horns, let's try to make sure that we're
25 the least disruptive as we can be. Sometimes we

1 don't do all that we can. So just a reminder that
2 yes, we'll need to ask for the indulgence of those
3 people that live on the bank. So we're going to
4 have to ask our crews to recognize, too, that we are
5 an intrusion.

6 CROUNSE3: \$\$\$\$, Crounse
7 Corporation. And I don't disagree with what \$\$
8 said at all, but I think this also may give us an
9 opportunity to educate what the waterway is. I know
10 we all know that, but I think it also gives us an
11 opportunity because every newspaper up and down the
12 river and all the news media will be looking at this
13 as a story and they might contact many of us. I
14 think that might be an opportunity to talk about how
15 critical this waterway system is. How all this
16 tonnage sitting out in their backyards could be on
17 the highways, on the railways, causing a lot more
18 congestion.

19 I think that might be the silver lining
20 here, both from a PR standpoint and a political
21 action standpoint, that we should not be in this
22 thing. This lock should be finished, it should have
23 been funded. We shouldn't be in the same thing in
24 lock 52. And I know we're gearing up in an effort
25 within the beltway to try to make up this. We have

1 lost a lot of ground the last few years when we
2 haven't had the funding. I hope no one loses sight
3 of the big picture. And we're going to have to deal
4 with the big picture because they're going to see
5 the towboats in the backyard and see all the -- we
6 need to define the big picture.

7 INGRAM1: If I could just follow up to
8 that. This again is \$\$ \$\$\$. I'm pleased to
9 see so many shippers or customers here because I
10 think in the past as a towing industry, sometimes we
11 have been tainted to a degree much like the Corps,
12 as though we have some vested interest corporately
13 in these particular infrastructure, and therefore
14 what we really need are those that can speak to the
15 number of jobs in a specific community. We're
16 basically -- we have a fairly small industry and
17 we're certainly very spread out, and it's sometimes
18 difficult to make our voice heard. And the last
19 thing I think that we want is to further accuse the
20 Corps of its failures when we recognize their budget
21 has continually gone down, its declined, and their
22 mission has been broadened and it's a very difficult
23 situation to be in.

24 So as \$\$said, I think we need to
25 capture the true impact of this and these stories

1 that I hear and dollar wise and talking about it in
2 terms of plant closures and how many jobs, can
3 hopefully help us do a much better job around the
4 beltway, getting the story made that, you know,
5 we've got to address these infrastructure issues.
6 Believe me; I've been around enough of these
7 structures, I know the Corps. Go talk to a lock
8 master and he's going to cry until you do about his
9 lack of funding to do what really needs to be done.
10 So again, that's a good point to be made.

11 B & H 1: \$\$\$ with B & H Towing.
12 What we need our customers doing is understanding
13 that if we're to get the funding to complete
14 McAlpine, then we could eliminate a lot of these
15 problems, if we had that funding. But we can't --
16 when we're paying half the bill, we still can't get
17 the government to pay their half.

18 ACE1: Thank you. You made an
19 excellent point. We'll make sure that when we get
20 our press releases out there, that we get the most
21 positive impact from those releases as possible.
22 That's an excellent point. Anyone else? Next
23 slide.

24 This is one I know that we talked about
25 briefly before. Commander \$\$, have you got

1 anything else that -- you reference security and the
2 tows. And certainly hazardous cargo shipments we're
3 talking about along the way. Anything else?

4 GUARD1: This is \$\$ \$\$
5 again with the Coast Guard. There's a lot of
6 problems that if we're at a higher maritime security
7 threat level, that's just going to be an incredible
8 thing to deal with, especially if all of the vessels
9 have to implement a security plan, a higher
10 standard, they're standing around waiting in queues.
11 It's going to be a challenge for us. That's
12 something that we're going to have to address,
13 that's something we're going to have to deal with.
14 We can propose and we can try to bring and increase
15 our patrols in both the lower and the upper pools as
16 we try to watch out for those -- for anything. But
17 industry will still have to provide security for
18 their barges while they're laid up in these fleeting
19 rings. They may have to look at maybe possibly
20 changing some of the fleeting area on a temporary
21 basis. I mean, there's a lot of other avenues that
22 we'll have to open some other doors and maybe
23 consider some temporary hazardous cargo fleeting
24 areas, give them a temporary alternate security kind
25 of thing. So a lot of issues, but I think we can

1 kind of walk our way through them.

2 One of the things I would suggest, like
3 for example for some of the chemical industries, is
4 if we do have a work group, you could bring in some
5 of these chemical transportation advisory committees
6 and use them as your voice for -- in making sure
7 that a representative or maybe somebody from T-Sap
8 or -- just to try to minimize the number of
9 different corporations that are part of this
10 prioritization might be something to consider.

11 ACE1: Anyone else have
12 anything? Pete, would you give me the next slide
13 there, please? All right. We hit this one pretty
14 hard. Give you another opportunity if you've got
15 anything else you would like to offer as far as
16 impacts to the customers, end users, the navigation
17 industry itself. Anyone got anything else, any
18 other concerns you would like to put forward?

19 (NO RESPONSE FROM THE FLOOR.)

20 ACE1: Okay, thanks. We
21 definitely need to designate POCs. We mentioned
22 earlier that one of the things we're definitely
23 going to do is we'll keep everyone informed with
24 notices of navigation. We're also going to keep our
25 web site hot and keep the latest and greatest up on

1 there. As far as the Corps is concerned, the points
2 of contact for the Corps of Engineers, it's going to
3 be \$\$\$\$up front -- if you would, just one
4 last time there at least, Pete, if you would, make
5 sure they get to see you. And also, \$\$\$\$,
6 who is in the back. And these are the two points of
7 contact and points of entry.

8 One of the things you're going to see on
9 our web site is there is an opportunity to post
10 questions and concerns related to the outage and the
11 effort underway, the maintenance effort. I
12 encourage you all and anyone else that has an
13 interest, pass the message along. We would like to
14 make -- when it comes time to make a decision, we're
15 going to stay with 3 to 16 and we would like to have
16 as much information as possible to make a good
17 decision.

18 It's not necessary to do that now, but
19 from the industry side, we would like that same kind
20 of feedback from who you would like for us to
21 interface with industry as well. Like I said, we'll
22 do as much as we can to keep our web site and those
23 kind of things up-to-date and get notices out, but
24 we would like to have a navigation interest and I
25 think Commander \$\$, we'll deal directly with

1 you all right there in the Federal building.

2 I think you probably will be getting the
3 complaints whether you want them or not, I would
4 suspect, Commander \$\$.

5 GUARD1: I would think my
6 replacement will.

7 ACE13: I did want to mention also --
8 and you hit on the idea of the impact and getting
9 the word out of what this is doing. We get people
10 asking us well, what is this doing to the towing
11 industry. To tell the truth, I don't know exactly
12 what it is. I know it's bad. But, you know, if you
13 could have someone from AWO or something that when
14 our public affairs or I get a call from a newspaper
15 saying what's the scoop of the industry, we can give
16 them a number and say here's the person that can
17 answer that question.

18 ACE1: And it's okay if it's
19 multiple folks as well. Our PA can certainly deal
20 with more than one POC for issues like that.

21 ACBL1: Well, one of the things you
22 might want to consider is your planning folks that
23 estimate benefits, navigation benefits. Certainly
24 that's -- those are the same benefits that are used
25 to justify the project. And so for every -- you

1 could have a running account. For every tow that's
2 being delayed an hour, it's X number of dollars and
3 as of this date, it's Y impact to the industry.
4 And -- so that -- you know, that way we don't have
5 six or eight different numbers floating around, we
6 have one value for a tow that's waiting on going
7 out.

8 ACE1: Okay. That's a very
9 good point and we will certainly take that on.
10 We've got someone here from our planning staff now
11 and we will take that on and make sure we get that
12 up on the web site as well so we're all speaking
13 with a common voice. New slide.

14 ACE13: I just want to say, I don't
15 have the details on this. \$\$ mentioned it first
16 from planning, there's some efforts being made. I
17 don't know if \$\$would be able to speak to any
18 details or what work is being done at the MAP center
19 or not, but that's in motion right now, trying to
20 assess that. But also your idea of posting and
21 keeping an awareness status as it's going on is an
22 excellent thing to go along with that.

23 ACE1: And we do intend to
24 monitor and track the impacts as closely as
25 possible. And again, that's why we would like for

1 everyone that's impacted to post something on the
2 web site and tell us what your projected impacts are
3 and we'll try to do the best we can to track the
4 real impacts we see in the queue and those kind of
5 things. Anybody got any remaining questions or
6 comments?

7 INGRAM1: I reluctantly do this, but
8 until such time as we've had our working group
9 established, I will sort of agree to be a POC for
10 industry. And \$\$, if that would be acceptable to
11 you until such time as we actually have a committee
12 established. So I would hope that this meeting has
13 probably answered at least the initial questions.
14 And we'll have a little bit of time here now to put
15 our working group together. And then once that's
16 done, we may well have some other POCs.

17 FROM THE FLOOR: Can you give everybody
18 your phone number?

19 ACE1: We'll -- in very short
20 order here, we'll try to close this out this week.
21 So if you can give us -- anybody's got any more
22 input in reference closures, we've got a pretty good
23 record of what the impacts are from here today. If
24 anyone else has got anything or there are other
25 customers, other end users, we would love to get

1 those and encourage you to do that as quickly as
2 possible because we're going to try to make a quick
3 decision here about the timing so everyone has to
4 plan as far in advance as possible.

5 ORMET1: Is -- when I'm leaving today,
6 would it be the right assumption that basically you
7 are going to try and leave the outage to August to
8 give us enough time to deal with supplies, is that
9 correct?

10 ACE1: That's correct. Right
11 now we're planning on still 3 through 16 as the
12 outage and trying to the give everyone as much time
13 as possible to get their supplies built up.

14 ORMET1: Okay.

15 ACE1: Anyone else got
16 anything?

17 ACBL1: I would say that after
18 we've had a chance to meet, we probably ought to
19 reassemble, certainly with the industry, the Corps
20 and the Coast Guard, to map out some of the issues
21 and to further update. And certainly we can use our
22 mailing and our web base to get the word out to the
23 industry folks. Secondly, the sign-in sheet that
24 people have here that have, you know, customer
25 E-mails, we can certainly add them to the web base

1 to make sure they get the latest information as it
2 becomes available. And so I would hope that we
3 ought to be able to, from an industry standpoint,
4 come to some understanding within a two-week period
5 of time and then start planning, planning the
6 process as it -- in preparing for the closure.

7 ACE1: Thanks. And we're
8 going to be using that same list to make sure that
9 our POCs, \$\$and \$\$, get that information out as
10 well. We'll use that information as well. Anyone
11 else got anything? First, thanks a lot for setting
12 this up. I greatly appreciate it. You know, this
13 is something that we felt very -- we thought long
14 and hard about and this has been on our mind for a
15 while. Tell you the truth, to some extent, I told
16 Commander \$\$, I thought we were going to be
17 doing this next year after I was gone, but it's
18 funny how things work out. We appreciate your
19 participation, we value your input. We continue to
20 work forward along the way. Don't hesitate to make
21 contact with us, use our web page. We'll do our
22 best to answer your questions as quickly as
23 possible. Thanks for setting this up. And the last
24 thing we've got, \$\$, is you're prepared to host a
25 visit over there, right, at McAlpine after we wrap

1 up here?

2 ACE3: Anybody got a general idea how

3 many?

4 ACE1: How many folks are

5 interested in going over to see the McAlpine lock

6 project? Five or six, it looks like, \$\$\$. Can you

7 handle that?

8 ACE3: Up to twenty is not a problem.

9 ACE1: Okay. Well, if anyone

10 is interested, touch base with \$\$\$ right

11 afterwards. There's going to be a real passel of

12 activity over at McAlpine lock later this summer

13 with the lock construction and the dewater lock

14 maintenance. And probably across the way we'll be

15 doing a little bank stabilization, too. So we'll

16 really be busy out there this summer.

17 ACE3: They have directions on hand

18 out back here how to get to the McAlpine locks. We

19 do have security checkpoints, they will ask. I

20 will notify them to identify yourself with this

21 group and that you're here to see me and that --

22 they will ask to open your trunk and glove box.

23 They don't disturb anything, it's just a visual

24 inspection.

25 ACBL1: Just one last thing. For

1 those of you -- we have reporters here early on and
2 we ask the reporters that this was kind of a closed
3 meeting, but we would be available. So anyone that
4 would like to speak with the reporters, they're
5 probably outside waiting. Or if you just want to
6 kind of duck out, that's up to you. But I'm sure
7 they'll probably want to buttonhole the Colonel and
8 the Commander and anybody here in the industry.
9 They'll probably want some comment about the
10 proceedings that took place here today. So if
11 you -- it's optional to anybody, whatever your
12 pleasure. I just wanted to alert you ahead of time.
13 Thanks.

14 ACE1: Thank you. If there's
15 nothing else that concludes the meeting. Thanks a
16 lot for your participation.

17 (MEETING ADJOURNED.)

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